P +61 8 9314 0000
F +61 8 9331 2400
info@gageroads.com.au

Gage Roads Brewing Co Ltd
14 Absolon St, Palmyra
Western Australia 6157

PO Box 2024 Palmyra DC
Western Australia 6169

ABN 22 103 014 320
ASX: GRB

ASX ANNOUNCEMENT

6 September 2018

INVESTOR PRESENTATION – ASX SMALL & MID CAP CONFERENCE

Please find attached an investor presentation provided by the Company's CFO Marcel Brandenburg at the ASX Small and Mid Cap Conference in Sydney on 6 September 2018.

- END-

Further information:
Marcel Brandenburg
Company Secretary
Gage Roads Brewing Co Ltd
Tel: (08) 9314 0000

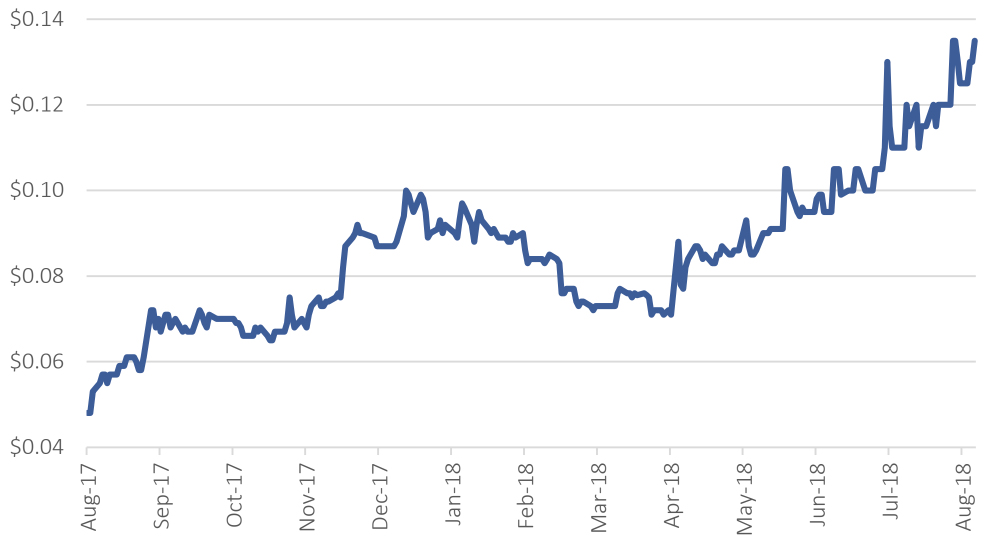
ASX SMALL AND MID CAP CONFERENCE

6 September 2018

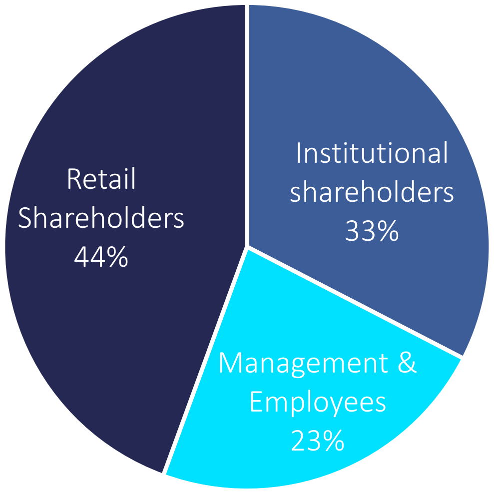
GAGE
ROADS
BREWING CO

COMPANY SNAPSHOT

Historical Share Price (12 months)



Share Register Composition



Directors and Executives

Ian Olson –Chairman
Robert Gould – Non Executive Director
Graeme Wood – Non Executive Director
John Hoedemaker – Managing Director
Aaron Heary – Chief Operating Officer
Marcel Brandenburg – Chief Financial Officer

Market Information

Shares on issue	1,011 M
Options on issue	15M
Market Cap	$130M
52-wk high	0.14
52-wk low	0.045

THIS IS GAGE ROADS BREWING CO.

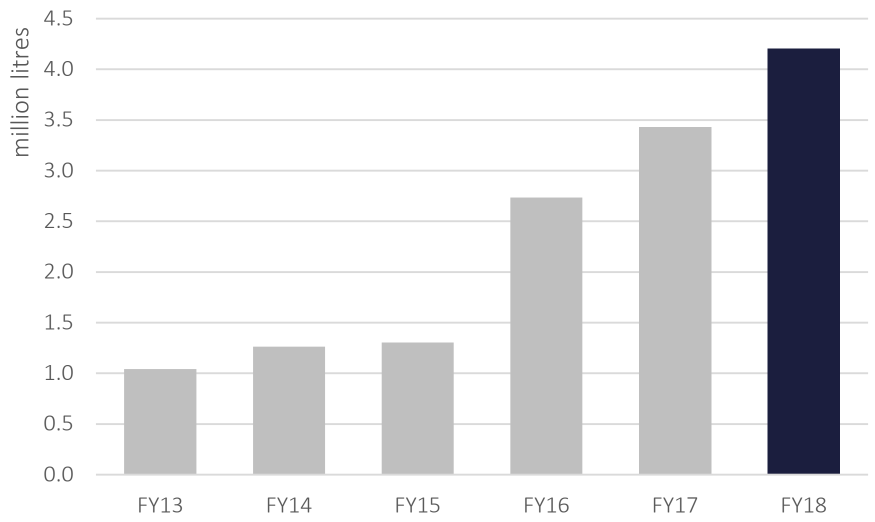
A Proven Track Record

- One of Australia's most established and awarded brewers of craft beer (established 2002)
- Currently selling 12 million litres p.a. comprising of 4.2 million litres proprietary brands and 7.8 million litres contract brewing
- State-of-the-art, world-class facilities, $27m invested in capital expenditure since 2010, up to 17.4 million litres p.a. capacity

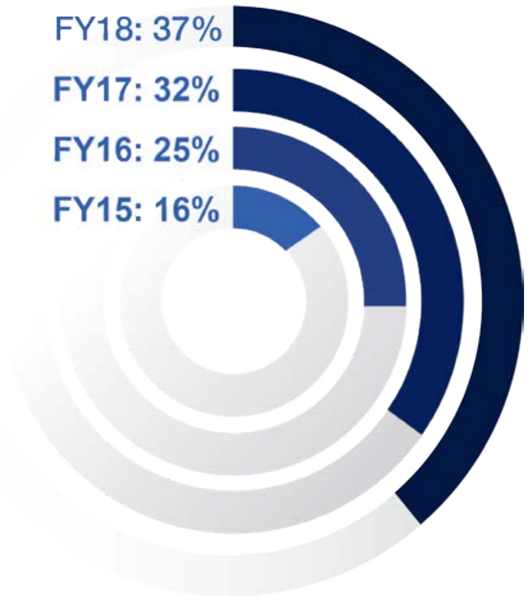
Proprietary Brand Strategy

- The Company has completed the 2nd year of its 5-year strategy to improve sales mix away from lower margin contract-brewing towards higher-margin proprietary brand beer.
- The strategy seeks to increase the awareness of Gage Roads' proprietary brands and expand those brands into broader markets, driving incremental sales from the previously untapped independent retail and on-premise channels to market.
- Target is to achieve 70% GRB brands proportion of sales mix
- Key leading indicators for FY17 and FY18 have been achieved

Gage Roads Proprietary Brand Sales



GRB Brands Proportion of Sales Mix



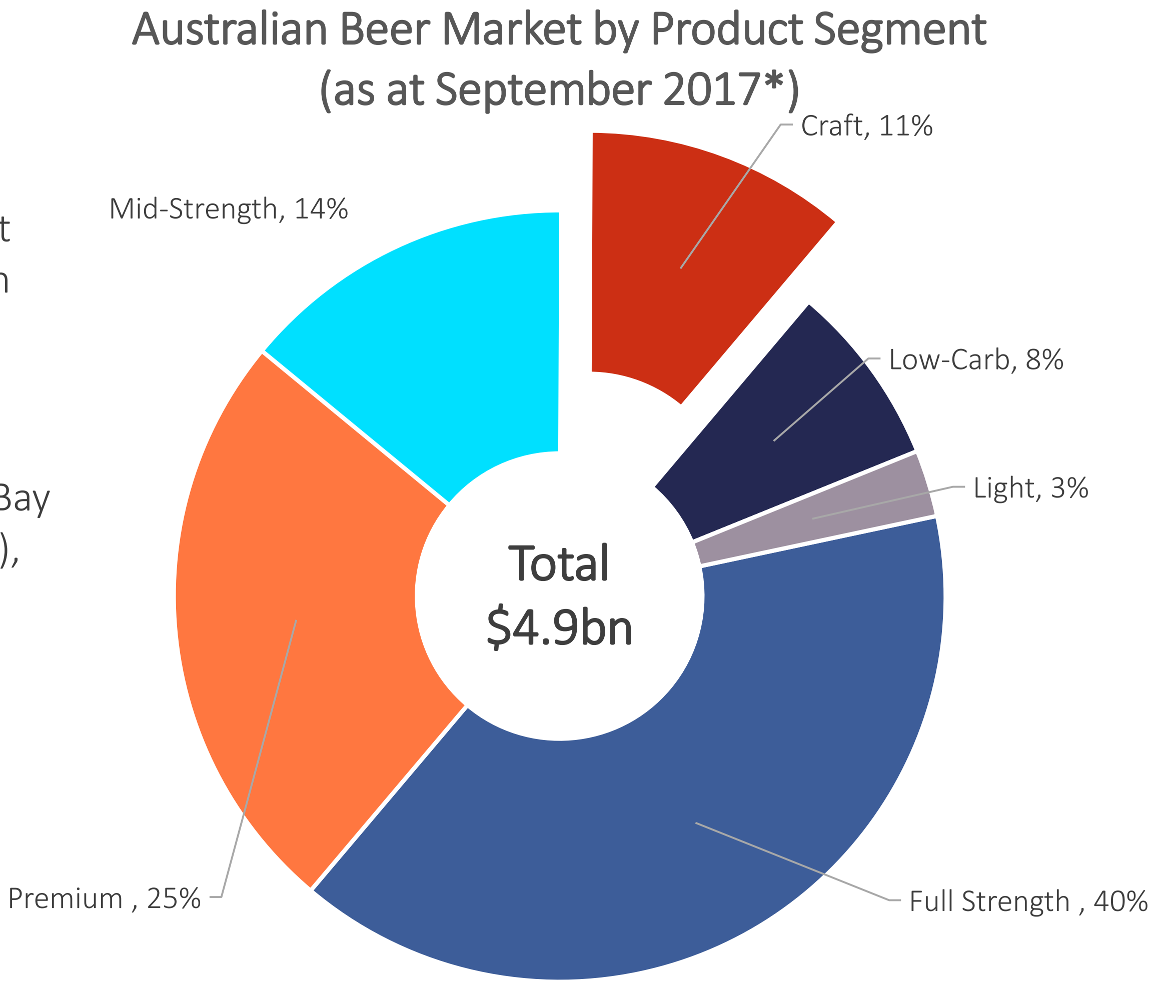
THE AUSTRALIAN CRAFT BEER MARKET

Craft Beer In Growth

- The Australian Craft beer industry is enjoying strong tail winds as consumers shift preferences away from mainstream beers to craft brands, now accounting for 11%* of the industry, up from (2%* in 2012)
- Major brewers have attempted to claw back market share and product relevance through acquisition of craft brands i.e. Little Creatures by Lion (2012), Mountain Goat by Asahi (2015), Byron Bay Brewing by Lion (2016), 4 Pines and Pirate Life by AB-Inbev (2017), Feral Brewing by Coca-Cola Amatil (2017)
- Organic and non-organic growth opportunities emerging in the Australian craft beer market, nationally over 230 craft brands established*

Key statistics

- Craft beer market growing at 16%^ (3-year CAGR)
- Total Beer market $4.9bn*, growing 2%^ (5-year CAGR)
- Craft beer market volume expected to grow to 12-15%* of the overall market within 5 years (US Market 17-20%)



**Source: IBISWorld*
^Source: Aztec Australia

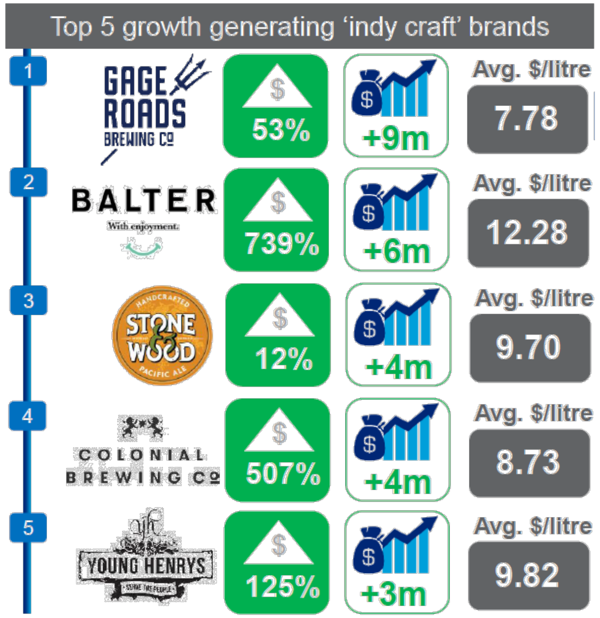
BEERS WORTH DRINKING

Great Products

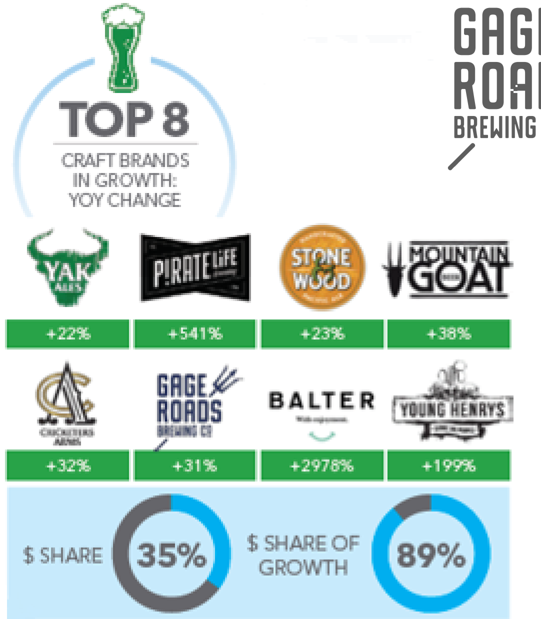
- GRB has suite of recognisable beers in the market
- Progressive, modern marketing strategy
- National craft range positioned for high volume potential
- Packaging with strong shelf presence
- Craft beer delivering strong margins
- Majority of major craft brands are owned by the big brewers, consumers value and support independents
- GRB the fastest growing independently owned brand

In Growth

- Currently, a strong market has been developed in the national chains (secured contractually)
- 2 years into 5-year Proprietary Brands Strategy achieving strong growth in new independent retail and on-premise markets
- FY18 independent channel sales up 181% on FY17
- FY18 draught sales up 218% on FY17
- 5th largest craft brand in Australia in FY18



(Source: IRI MarketEdge, MAT To 03/06/18)



(Source: IRI MarketEdge, MAT To 31/12/17)

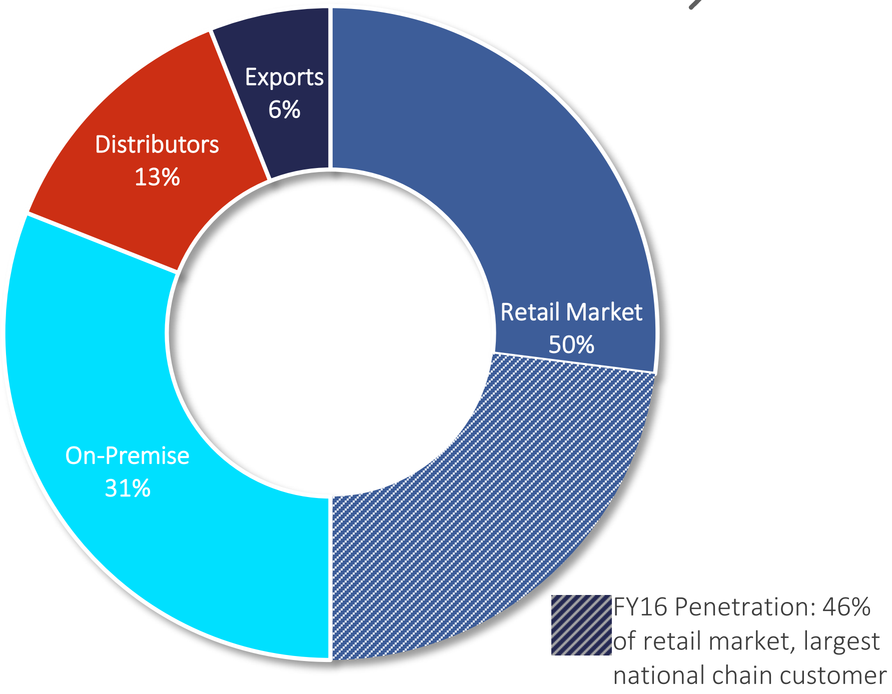
Australian Craft Retail Market (*Source: 2018 Information Resources Inc (IRI)*)

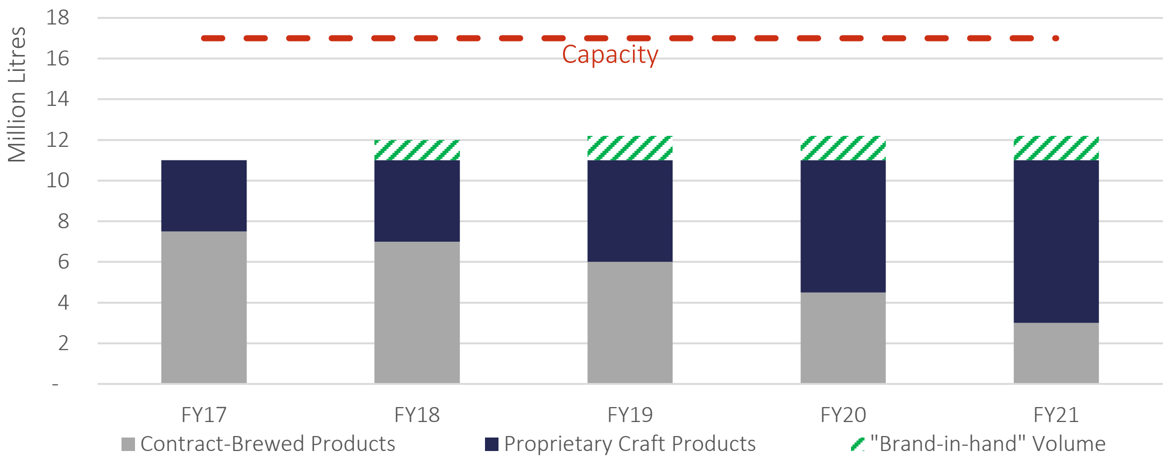
Rank	Company	Range	Market Share (%)
1	Lion	James Squire	21.8
2	CUB	Yak Ales	16.3
3	Lion	Little Creatures	7.1
4	Stone & Wood Brewing	Stone&Wood	5.0
5	**Gage Roads Brewing**	**Gage Roads**	**4.0**
6	Asahi Premium Beverages	Cricketers	4.0
7	Asahi Premium Beverages	Mountain Goat	3.1
8	Matso's Broome Brewery	Matso's	2.3
9	CUB	4 Pines	2.2
10	Burleigh Brewing Co	Burleigh Brewing	2.3
11	CUB	Pirate Life	1.4
12	Vintage	Stone's	1.3
13	Drinkworks	Monteith's	1.8
14	Lion	White Rabbit	1.2
15	CCA	Yenda	1.4

GRB PROPRIETARY BRAND STRATEGY

- Independence
- Building national sales capability
- Unlocking independent retail market
- Unlocking on-premise market
- Maintaining National Chains Volumes
- Experiential ("Brand-in-Hand") marketing strategy, utilising latent capacity
- Putting quality first
- Increasing proportion of GRB proprietary brands
- Increasing gross profit margin
- Increasing EBITDA/litre

Australian Beer Market *(Source: IBISWorld)*

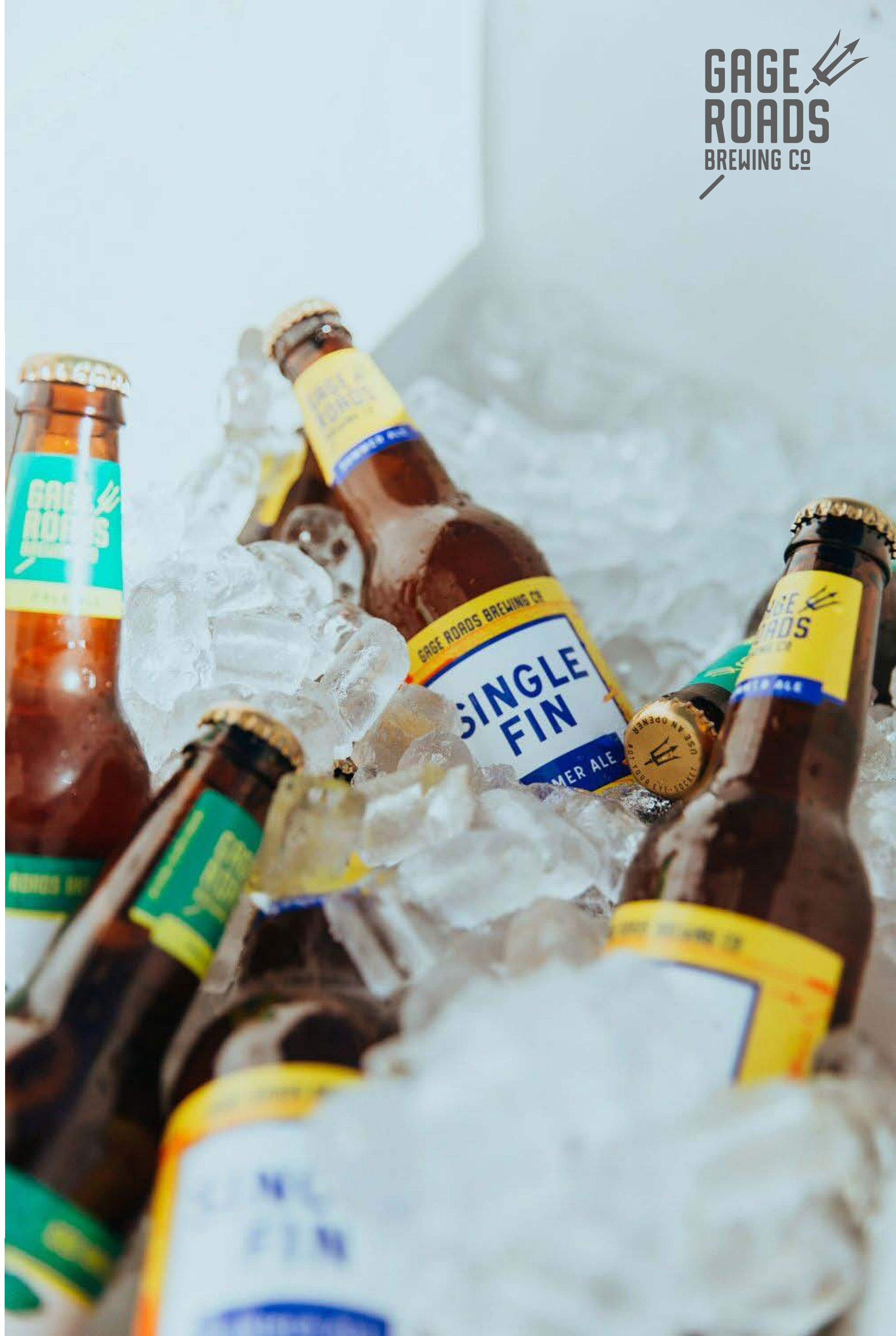




FY18 PROGRESS

	FY16			FY21
Own brand products growth (underlying^)	2.8m litres	3.4m	4.2m	8m litres
Own brand portion of sales mix (underlying^)	25%	32%	35%	70%
Total Gross Profit margin (underlying^)	52%	58%	60%	70%
Annual Sales & Marketing Investment* (underlying^)	$1.2m	$2.9 m	$4.1m	$5.5m
EBITDA per litre (underlying^)	$0.23	$0.33	$0.39	$1.00

^Excludes litres sold as part of marketing events and Optus Stadium
* Includes sales & marketing salaries and distribution costs



GAGE ROADS BREWING Co

BRAND-IN-HAND MARKETING

BRAND-IN-HAND MARKETING

- Brand in Hand marketing strategy, targeting key events that allow consumers to trial our products while enjoying a great experience
- Any upfront fees relating to these events are covered by the gross contribution that the sale of our products to the event generates and are generally designed to be earnings-neutral or have minimal net financial impact.
- These marketing volumes are in addition to our Proprietary Brand Strategy volumes (11m Litres), utilising latent production capacity.
- We distinguish between overall earnings (including volumes and contributions from events) and underlying earnings (excluding volumes and contributions from events)

WINE ISLAND A DROP IN THE HARBOUR | FRINGE WORLD | WORLD RUGBY™ HSBC | CRICKET VICTORIA | WESTERN FORCE

STADIUM DEALS

OPTUS STADIUM

- 5 year term to December 2022
- WA's premier entertainment venue, AFL, Cricket, Rugby, Concerts, Soccer, 50+ events per year, average 40,000+ attendance per week
- GRB has exclusive pouring rights
- Brands on offer include: Alby Crisp, Alby Draught, Narrow Neck, Single Fin, Single Fin Session, Atomic, Sleeping Giant IPA, Little Dove and Hello Sunshine Ciders
- An annual rights fee is paid up front in January each year and is expected to be recouped through earnings over the year. Cash flow impacts are expected to be cashflow neutral on a calendar year basis.

NIB STADIUM

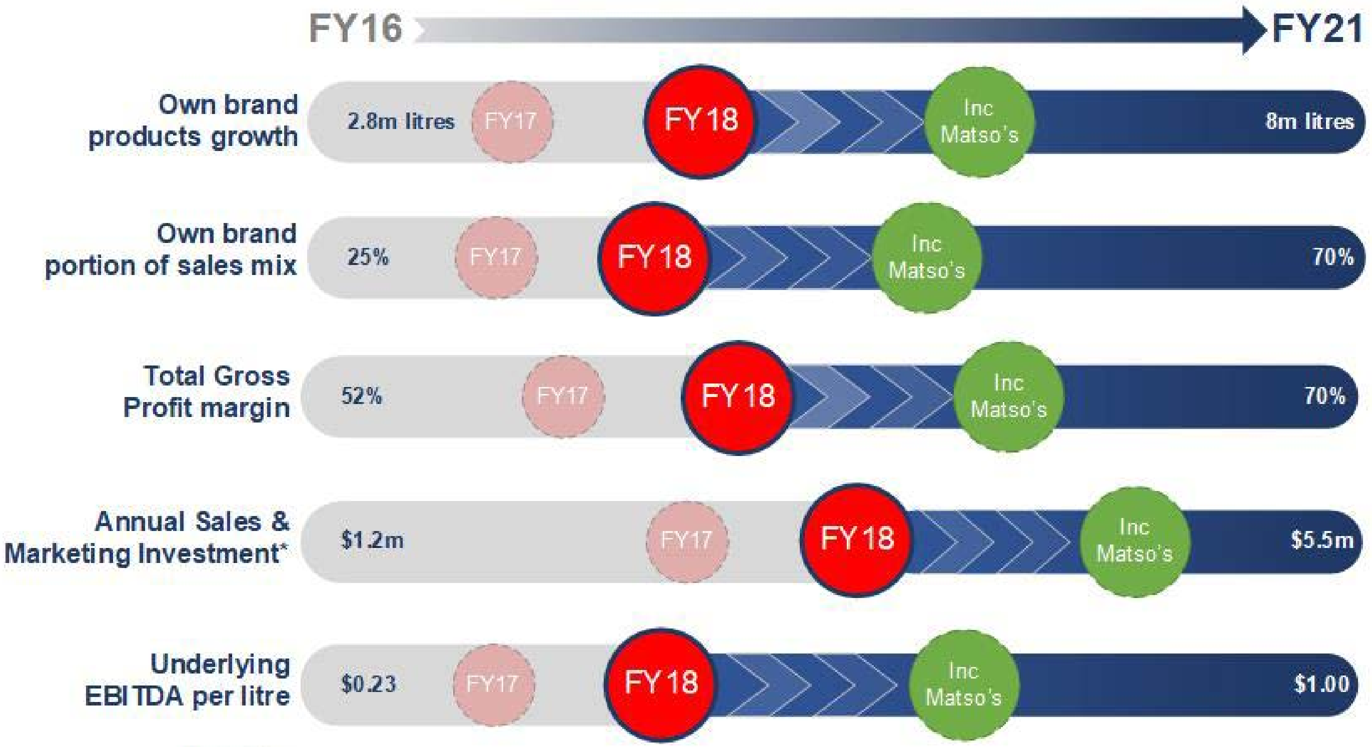
- 5 year term to August 2023
- nib Stadium is a state-of-the art rectangular stadium providing world class sporting and concert events in Western Australia.
- GRB has exclusive pouring rights
- Brands on offer include: Alby Crisp, Alby Draught, Narrow Neck, Single Fin, Atomic as well as Hello Sunshine Ciders and Matso's Ginger Beer

GAGE ROADS BREWING Co

MATSO'S ACQUISITION

MATSO'S ACQUISITION

- Natural accelerant of our 5-year proprietary brand strategy (as previously disclosed)
- Unique high quality and high margin brands
- Strong brand equity and consumer loyalty
- A specialised liquor category in growth
- Diversifies GRB's revenue streams into new categories
- Complimentary (non-competitive) to the existing GRB craft beer and ALBY range
- Leverages GRB's national sales, marketing and distribution capabilities
- Limited integration risk or impact on brewing operations or cost structure as GRB has produced the brands under contract for the last 10 years
- Strong potential to grow the brands



GAGE ROADS BREWING Co

SHAREHOLDER VALUE

GRB SHAREHOLDER VALUE

- Strong and flexible balance sheet
- Proven management aligned to shareholders
- Valued on current earnings
- Existing revenue streams
- Ability to drive earnings and margin growth


GAGE ROADS
BREWING Co
WWW.GAGEROADS.COM.AU